

April 24, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

State Budget Update

Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program

In our April 23, 2002 State Legislative Update, we reported that the Assembly Budget Subcommittee No. 1 on Health and Human Services had voted to require counties to pay a share of the cost of the EPSDT program. As currently funded, counties pay a small share of the cost for the base program that reflects what they were spending on the program in the base year - 1994-1995 - adjusted by an inflation factor. However, increased costs beyond the base amount are entirely covered by Federal and State MediCal funds. The Legislative Analyst, concerned about cost increases of 29 percent per year, suggested that the State could save \$28 million a year by requiring counties to pay 10 percent of the State's cost for the entire EPSDT program. The Subcommittee approved the 10 percent county share. Since EPSDT is a federally mandated program, counties cannot reduce services and will have to fund their share with county funds. The Department of Mental Health now estimates that the cost would be approximately \$10 million.

Efforts are underway to persuade Subcommittee No. 1 to reconsider its action. The Senate budget subcommittee earlier adopted the Governor's recommendation to increase State funding without requiring an increased county share.

Pursuit of County Position on Legislation

SB 1688 (Margett), as amended on April 17, 2002, creates a supplemental funding mechanism for firefighting services. Funds appropriated in the State budget will be deposited in the Supplemental Firefighting Services Fund (SFSF) in each county treasury and the County Auditor must apportion these funds based on population to cities, districts, and counties, with each city, district and county receiving a minimum of \$100,000. However, the Senate Local Government Committee analysis notes that not every county or city provides fire services and that the population served will be difficult to calculate, therefore, the distribution of funds should be clarified.

SFSF funds are intended to supplement and not supplant existing services. The funds are to be used exclusively for frontline firefighting, training, and fire prevention services and must be spent by June 30 of the following year or the funds revert to the State General Fund.

SB 1688 also creates a Supplemental Firefighting Oversight Committee (SFOC) in each county which consists of 5 members; a municipal fire chief, the county fire chief, a district fire chief, the county's executive officer, and a city manager. The Committee analysis notes that not all jurisdictions have city managers or fire chiefs, therefore, membership requirements of the SFOC should be amended to accommodate all jurisdictions. The SFOC is responsible for determining whether recipient agencies are in compliance with SB 1688 and to make a report available to the public. The State Legislative Analyst will be required to prepare a report for the Legislature on the types of expenditures made by local fire agencies relative to SFSF funds and, if possible, to include the impact of these expenditures.

The County Fire Department recommends a support position on SB 1688 because it provides a mechanism for State funding of frontline firefighting services and **we concur. Support for SB 1688 is consistent with the county's support on March 6, 2001 for AB 1022 (Polanco) which would have appropriated \$100 million for frontline firefighting services. AB 1022 died in the Assembly Appropriations Committee. Support is also consistent with the State Legislative Agenda to support measures which provide State financial assistance to local governments for the acquisition of fire apparatus, including rotary and fixed-wing aircraft. Therefore, our Sacramento advocates will be supporting SB 1688.**

According to the author's office, SB 1688 was heard in the Senate Local Government Committee on April 24, 2002 and passed out of Committee with amendments to clarify the distribution and oversight committee membership problems identified by the Committee

analysis. According to the Committee analysis, SB 1688 is supported by the State Association of County Auditors and has no known opposition.

Status of County Interest Legislation

County-sponsored AB 1832 (Robert Pacheco), which clarifies social workers' access to dependent children's medical and counseling records, passed out of the Assembly Judiciary Committee on April 23, 2002 by a 9 - 1 vote. This measure now proceeds to the Assembly Floor.

County-sponsored AB 1926 (Horton), which allows a property owner to have stricken any provision in a deed that is deemed by the local county recorder as containing discriminatory restrictive covenants, passed out of the Assembly Housing and Community Development Committee on April 24, 2002 by a 9 - 0 vote. This measure now proceeds to the Assembly Appropriations Committee.

County-opposed SB 1506 (Romero), which would withhold Los Angeles County's VLF backfill revenues when the County and more than 50 percent of the employee organizations are at impasse in labor negotiations, was heard by the Senate Local Government Committee on Wednesday, April 24, 2002. After much discussion, the bill was held and the Committee indicated that it intends to hold a special hearing on SB 1506 in Los Angeles. The hearing may be held jointly with the Senate Committee on Public Employment and Retirement.

County-sponsored SB 1956 (Polanco), which streamlines and simplifies the notice statutes for dependency hearings, passed out of the Assembly Judiciary Committee on April 23, 2002 by a 6 -1 vote. This measure now proceeds to the Assembly Appropriations Committee.

DEJ:GK
JL:md

- c: Executive Officer, Board of Supervisors
- County Counsel
- All Department Heads
- Legislative Strategist
- Local 660
- Coalition of County Unions
- California Contract Cities Association
- Independent Cities Association
- League of California Cities
- City Managers Associations
- Buddy Program Participants